



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Adopt resolution awarding the Brokerage Services to sell surplus City-owned real estate properties to Coldwell Banker Commercial, The Duncan Company, Inc. of Woodbridge, CA (EUD)

MEETING DATE: October 3, 2007

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution awarding the Brokerage Services to sell surplus City-owned real estate properties to Coldwell Banker Commercial, The Duncan Company, Inc. of Woodbridge, California.

BACKGROUND INFORMATION: On April 11, 2006, staff provided the City Council a list of unutilized real estate properties currently owned by the City. The City decided to sell these surplus properties.

One of the unutilized sites is the Electric Utility Department (EUD) property located at 500 South Guild Avenue. This lot is approximately 9.09 acres as per APN 049-250-61 in the San Joaquin County Assessor's Book of Parcels Map Book 21 Page 159 as shown in Attachment A. It is surrounded by: Central California Traction Company on the North, Thurman Street on the South, Guild Avenue on the Eastern side, and a City of Lodi property (APN 049-250-13) to the West. This EUD property had an appraised value of \$2.5 million on October 2006.

Initially, a Request for Proposal was advertised for approximately two months without employing the services of realty agents and/or brokerage firms. There were several inquiries and almost all of the bid documents that were placed on the site were taken. However, no proposals were received by the June 22, 2007 deadline.

As a result, staff believes that the services of a professional commercial brokerage firm may be necessary to obtain qualified proposals in a timely manner. The new Request for Proposal (RFP) was enhanced to reflect a two-tiered brokerage fee structure. Bidders were also allowed to propose lower fees and other alternate proposals that would be deemed advantageous to the City. The RFP was advertised for bid and more than ten (10) brokerage companies requested copies. On September 19, 2007, staff received proposals from three companies with the following results:

Brokerage Company	Sale Price	Brokerage Fee
Cornish & Carey Commercial Roseville, CA	Greater than \$2 million	5%
	Less than \$2 million	6%
Baker Pearson Real Estate, Lodi, CA	Any sale amount	4.5%
Coldwell Banker Commercial – The Duncan Co. Inc., Woodbridge, CA	Up to \$2 million	4%
	Sale price minus \$2 million	6%

The proposal of Baker Pearson Real Estate was the most attractive with a flat fee of 4.5% but their experience is concentrated mainly on residential properties and lacks marketing experience for commercial properties. Coldwell Banker's (Coldwell) proposed that a 4% fee be paid on that portion of the sale price up to \$2 million and 6% fee for the portion of sales price over \$2 million. Whereas, Cornish & Carey Commercial will charge 6% commission for sale price less than \$2 million and a 5% fee for properties sold greater than \$2 million.

APPROVED: _____
Blair King, City Manager

Considering the commercial marketing experience and a well-structured two-tiered brokerage fee proposal of Coldwell, staff hereby recommends to the City Council to award the Brokerage Services to Coldwell Banker Commercial –The Duncan Co. Inc. of Woodbridge, CA.

FISCAL IMPACT: Proceeds from real estate sales will enhance the City's financial position.

FUNDING AVAILABLE: Not applicable.

George F. Morrow
Electric Utility Director

PREPARED BY: Demy Bucaneg, Jr., P.E., Manager, Engineering & Operations

GFM/DB/lst

RESOLUTION NO. 2007-_____

A RESOLUTION OF THE LODI CITY COUNCIL
AWARDING BROKERAGE SERVICES TO SELL
SURPLUS CITY-OWNED REAL ESTATE PROPERTIES

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WHEREAS, in answer to notice duly published, Request for Proposals were received and opened on September 19, 2007 for Brokerage Services to sell surplus City-owned real estate properties, approved by the City Council; and

WHEREAS, said bids have been compared, checked, and tabulated and a report thereof filed with the City Manager as follows:

<u>Brokerage Company</u>	<u>Sale Price</u>	<u>Brokerage Fee</u>
Cornish & Carey Commercial Roseville, CA	Greater than \$2 million	5%
	Less than \$2 million	6%
Baker Pearson Real Estate, Lodi, CA	Any sale amount	4.5%
Coldwell Banker Commercial – The Duncan Co. Inc., Woodbridge, CA	Up to \$2 million	4%
	Sale price minus \$2 million	6%

WHEREAS, considering the commercial marketing experience and a well-structured two-tiered brokerage fee proposal of Coldwell, staff hereby recommends to the City Council to award the Brokerage Services to Coldwell Banker Commercial –The Duncan Co. Inc. of Woodbridge, CA.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby awards the Brokerage Services to sell surplus City-owned Real Estate Properties to Coldwell Banker Commercial, the Duncan Company, Inc., of Woodbridge, CA; and

BE IT FURTHER RESOLVED that the City Manager is hereby authorized and directed to execute any and all contracts/agreements for these services on behalf of the City of Lodi.

Dated: October 3, 2007

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I hereby certify that Resolution No. 2007-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held October 3, 2007, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2007-_____